



## ENVIRONMENTAL LAW & POLICY CENTER

Protecting the Midwest's Environment and Natural Heritage

November 16, 2020

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**RE: ICC Notice of Inquiry 20-NOI-03, Illinois Commerce Commission On Its Own Motion Notice of Inquiry Regarding Transportation Electrification and Other Beneficial Electrification.**

### Comments of the Environmental Law & Policy Center

To Whom It May Concern:

Please find attached the Comments of the Environmental Law & Policy Center in response to Illinois Commerce Commission Notice of Inquiry 20-NOI-03. Please contact me with any questions.

Sincerely,

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**STATE OF ILLINOIS  
THE ILLINOIS COMMERCE COMMISSION**

ILLINOIS COMMERCE COMMISSION	)	
On its Own Motion	)	
	)	20-NOI-03
Notice of Inquiry Regarding	)	
Transportation Electrification and Other	)	
Beneficial Electrification	)	

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Environmental Law and Policy Center (ELPC) appreciates the opportunity to submit comments in response to this Notice of Inquiry (NOI). The NOI asks a large number of questions, and ELPC believes that with the large number of commenters who are likely to participate in this proceeding, ELPC can be most helpful by commenting on a few issues that it believes are most important to the development of this market. Fundamentally, ELPC submits that in addition to the NOI, the Commission should consider EV issues in the context of rate cases and grid modernization proceedings where it can put them in the broad context of resource planning. Also, as part of this NOI process, the Commission should consider holding a public meeting at the conclusion of the comment period where it can engage with parties and ask questions.

ELPC encourages the Commission to make decisions regarding EV charging consistent with a few fundamental principles. First, all time of use rates (TOU) should be simple to understand and allow customers to reasonably take advantage of lower prices. Second, time of use rates and specifically night time, off peak charging rates should be available to EV owners without putting their whole house on TOU rates. Third, the Commission should recognize that the emerging EV market represents a tremendous load building opportunity for electric utilities. The more people transition to EVs the more electricity they will sell. Thus, the Commission should be very careful

to avoid giving utilities incentives to take actions that they would take regardless of any added bonus, because taking such actions are already in their financial interest. As a regional group ELPC has seen the utilities attempt to get more incentives than they really need in both Michigan and Ohio. The Commission should only grant incentives where utility actions benefit customers and benefit the development of the EV market through efforts that produce results beyond what we would expect. For example, programs that meet targets for off peak charging.

One of the issues the NOI does not seem to address is EV school buses. ELPC does not want this issue to get lost amongst the many important issues in the NOI. ELPC believes that EV school buses can play an important role in both pollution reduction and grid planning. The EV school buses sit idle for parts of the day throughout the year, but most importantly on the hottest days of summer. Illinois should be exploring ways to use the battery storage capability of the buses and should consider the pollution reduction benefit to the children who ride school buses and their communities.

Finally, the Commission questions regarding beneficial electrification need to be considered in a broader planning process. The gas companies continue to spend dramatic amounts of money on new pipes, and the Commission needs to review new spending proposals in light of the need to move towards electrification in order to reduce carbon.

#### A. Rate Design Impacts on Electric Vehicle Adoption and Use

##### **1. EV Adoption and Use by Residential Customers Living in Single-Family Housing**

**a. Do current electric rate designs prevent residential customers living in single-family housing from adopting and using EVs? If so, how?**

Answer: No, the current ComEd rates available (hourly and TOU) may need adjustment but they don't seem to be an impediment. Ameren has hourly rates available, and they should have a time of use option for customers as an additional option.

ELPC believes that the Commission needs to do more to educate customers about the availability of both time of use rates and hourly rates in order to help the public understand the benefits.

Moreover, the Commission should study the number of customers on time of use rates, the effect of those rates on customer usage, and whether customers would benefit from different rate structures than the utilities currently have in place.

**b. Should electric rate designs be used to encourage residential customers living in single-family housing to adopt and use EVs? Why or why not?**

Answer: Yes, because if the utilities have the right rate structures we can encourage customers to charge EVs off peak utilizing either wind or baseload nuclear generation. Essentially, if we do this right we can make driving EVs truly carbon free. Not only will EV drivers benefit from this, but non-participants will benefit as well because the utility can spread its fixed costs over a greater number of kWh sold. Selling more clean kWh drives down the per unit rates, but doesn't contribute to pollution.

**c. If you are in favor of providing incentives through electric rate design, what specific electric rate designs can be used to motivate residential customers living in single-family housing to adopt and use EVs?**

Answer: Time of use rates can motivate customers to purchase EVs, and the bigger the discount for charging off peak the greater the motivation. That being said, some customers may not want to put their entire household on TOU rates for a variety of reasons. Thus, ELPC believes utilities should make rates available for EV owners that encourage them to charge at night without putting the whole home on that rate. The issue here is coming up with that rate without requiring

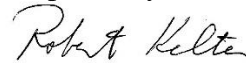
the home to have a second meter for the EV. ELPC believes that this can be done utilizing the homes smart meter, and then using usage data to determine that a customer is charging an EV at night. Detroit Edison discussed just such a program with Michigan parties recently. DTE has hired a consultant to develop an algorithm to determine when usage is spiking at night so it can offer its customers an EV charging rate. We believe that the utilities should do something similar here.

**d. How do electric rate designs used to encourage single-family residential customers to adopt and use EVs affect the affordability of electric service for other electricity users?**

Answer: As noted above, EV charging done at night does not require additional generation and should not strain the grid while spreading fixed costs over a greater number of kWh sold.

ELPC looks forward to addressing these issues further in its reply comments.

Respectfully Submitted,



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